



April 25, 2019

<p>SUBJECT</p> <p>KIT FOR NEW PARENTS</p> <p>Strategic Priority Area 3. Public Will and Investment: Build public engagement in, investment in, and support of the optimal well-being and development of children prenatal through age 5, their families, and communities.</p> <p>Goal 3.1. Communications: Build public will in investing in early childhood by communicating the potential for positive outcomes for children and families, and the importance of prevention and early intervention.</p>	<p><input checked="" type="checkbox"/> Action</p> <p><input type="checkbox"/> Information</p>
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SUMMARY OF THE ISSUE

In April 2018, the Commission authorized up to \$5.5 million to continue First 5 California's (F5CA) *Kit for New Parents (Kit)* program from June 1, 2018, through June 30, 2019 (FYs 2017–18 and 2018–19). On June 1, 2018, F5CA entered into an interagency agreement with the Office of State Publishing (OSP) for all supply chain management (procurement, printing, production, warehousing, and distribution) for the *Kit* program. F5CA's agreement with OSP ends June 30, 2019.

F5CA requests funding authorization to enter into an agreement, effective July 1, 2019, through June 30, 2020 to print, procure, and fulfill *Kit* components. Approval of this request for up to \$5 million will enable F5CA to continue *Kit* production and distribution.

RECOMMENDATION

F5CA staff recommends the Commission approve up to \$5 million for July 1, 2019, through June 30, 2020 (FY 2019–20) to continue *Kit* production and distribution.

BACKGROUND OF KEY ISSUES

The *Kit* has touched more hands than any other F5CA program, with over 5 million *Kits* distributed since its 2001 release. The *Kit* often functions as a critical first step to educate California parents about the care, health, and education of children ages 0 to 5.

Through F5CA's partnerships with First 5 county commissions, the *Kit* reaches local organizations ranging from hospitals and clinics, to churches, foster care services, preschools, and community colleges. Individuals also can request a *Kit* by visiting the *Kit* ordering page on the F5CA Parent Website.

A critical component of the *Kit* program is efficient supply chain management. Supply chain management includes raw material procurement, inventory control, IT services, printing, finished goods production, and fulfillment.

In 2016, F5CA requested from OSP a three-year waiver request to go out to bid for a new *Kit* contract. The request was denied and OSP informed F5CA that it would take over the *Kit*'s supply chain management.

F5CA staff discussed OSP's ability to fulfill *Kit* contract requirements. These discussions sprang from past issues (prior to 2003) with OSP's supply chain management services and IT support. F5CA emphasized to OSP staff the scope, size, and *Kit* contract demands, as well as the importance of OSP meeting the objectives of F5CA's flagship program. OSP assured F5CA that it had the capacity to execute all tasks associated with *Kit* production at the same level of service provided by private industry.

On June 1, 2018, F5CA entered into an interagency agreement with OSP for *Kit* supply chain management services. Since the beginning of the agreement, OSP has been unable to procure *Kit* raw materials in a timely manner, and secure adequate staffing for *Kit* production that have resulted in delays that have negatively impacted the *Kit* program. OSP has stated to F5CA that it is working to address these issues, however, the frequency of such challenges is causing an unacceptable level of service.

As a result of these issues, F5CA intends to ask OSP for a waiver to go out for bid for *Kit* production services.

SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION

In April 2018, the Commission authorized up to \$5.5 million to continue *Kit* production and distribution.

FISCAL ANALYSIS

The request of up to \$5 million is for the continued production and distribution of the *Kit*. The cost for the *Kit* is offset by approximately \$500,000 in annual federal fund reimbursements. Costs for the *Kit* will be taken from the Mass Media/Communications account.

ATTACHMENTS

None.